

Message Text

SECRET

PAGE 01 TOKYO 00170 051024Z
ACTION NODS-00

INFO OCT-01 ISO-00 /001 W
-----073589 051026Z /12
O 050939Z JAN 78 ZFF4
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC IMMEDIATE 4099

S E C R E T TOKYO 0170

NODIS

FOR SCHIENMAN, T

E.O. 11652: GDS
TAGS: PARM, ETRD, JA
SUBJECT: SALE OF URANIUM TO JAPAN

REF: STATE 309753

1. USING REFTEL AS BASIS AND WITH DEPARTMENT'S CONCURRENCE WE
PROPOSE TO SEND FOLLOWING LETTER TO PRIME MINISTER FUKUDA FROM
AMBASSADOR AS A REPLY TO HIS SEVERAL QUERIES REGARDING AVAIL-
ABILITY OF ENRICHED URANIUM FOR SALE TO JAPAN:

2. BEGIN QUOTE:

DEAR MR. PRIME MINISTER:

ON A NUMBER OF OCCASIONS YOU HAVE MENTIONED TO ME THAT YOU
REMAIN INTERESTED IN PURCHASES BY JAPAN OF LARGE QUANTITIES OF
ENRICHED URANIUM FROM THE UNITED STATES GOVERNMENT AS ONE MEANS
OF REDUCING JAPAN'S LARGE TRADE SURPLUS WITH MY COUNTRY.

I HAVE COMMUNICATED YOUR INTEREST TO MY GOVERNMENT AND HAVE
BEEN ADVISED IN RETURN THAT AN ARRANGEMENT OF THE TYPE PROPOSED BY
JAPANESE OFFICIALS WOULD REQUIRE A MAJOR CHANGE IN THE U.S.

SECRET

SECRET

PAGE 02 TOKYO 00170 051024Z

GOVERNMENT'S POLICY ON URANIUM FUEL SALES AND COULD HAVE AN
ADVERSE IMPACT ON OVERALL U.S. NON-PROLIFERATION POLICY. THE
U.S. GOVERNMENT DOES NOT ITSELF ENGAGE IN THE SALE OF
NATURAL URANIUM FEEDSTOCKS AND DOES NOT WISH TO CONSIDER
MAKING CHANGES IN ITS URANIUM FUEL POLICY UNTIL IT HAS
EVALUATED ALTERNATIVE FUEL ASSURANCE REGIMES THAT ARE BEING
STUDIED BOTH IN THE CONGRESS AND WITHIN THE EXECUTIVE BRANCH.

WE THEREFORE WISH TO DEFER FURTHER ACTION ON THE JAPANESE REQUEST TO PURCHASE ENRICHED URANIUM UNTIL THE EVALUATION IS COMPLETED.

IN THE INTERIM, THE U.S. GOVERNMENT WISHES TO EXTEND TO THE GOVERNMENT OF JAPAN THE OPPORTUNITY TO MAINTAIN A CONTINUOUS DIALOGUE ON THIS SUBJECT, BOTH BILATERALLY AND THROUGH THE AUSPICES OF THE INTERNATIONAL NUCLEAR FUEL CYCLE EVALUATION (INFCE) NOW IN PROGRESS. OUR OBJECTIVE WOULD BE TO FIND A MUTUALLY SATISFACTORY SOLUTION TO THE FUEL ASSURANCE PROBLEM IN TERMS OF BOTH NATURAL URANIUM FEEDSTOCK SUPPLIES AND ENRICHMENT SERVICES. FOR EXAMPLE, WE COULD DISCUSS THE PROCUREMENT BY JAPAN OF FURTHER URANIUM ENRICHMENT SERVICES, AND WE ARE ALSO PREPARED TO OFFER OUR GOOD OFFICES IN HELPING JAPAN TO SECURE STABLE SUPPLIES OF NATURAL URANIUM FEEDSTOCKS FROM THE U.S. COMMERCIAL MARKET OR FROM OTHER SUPPLIERS.

I SHOULD ALSO POINT OUT THAT WHILE THE PURCHASE OF A LARGE AMOUNT OF ENRICHED URANIUM FROM THE U.S. WOULD HAVE SOME PSYCHOLOGICAL ADVANTAGES IN THE CONTEXT OF THE BALANCE OF TRADE PROBLEM, IT WOULD NOT SERVE TO ALLEVIATE THE PROBLEM MATERIALLY OVER A PERIOD OF YEARS. WE BELIEVE THAT, AS A GENERAL RULE, OUR BALANCE OF TRADE CONCERNS ARE BEST MET THROUGH EFFORTS TO ACHIEVE STRUCTURAL CHANGES IN TRADING RELATIONS RATHER THAN THROUGH ONE-TIME-ONLY PROCUREMENTS.

SECRET

SECRET

PAGE 03 TOKYO 00170 051024Z

THERE MAY BE OTHER PROCUREMENT POSSIBILITIES WITHIN THE NUCLEAR ENERGY FIELD THAT WOULD HAVE MORE LASTING EFFECTS ON THE U.S.-JAPAN BALANCE OF TRADE THAN THE PURCHASE OF ENRICHED URANIUM. I AM THINKING PARTICULARLY OF ADDITIONAL PURCHASES OF NUCLEAR POWER PLANT COMPONENTS OR ADVANCED TECHNOLOGY THEREFORE FROM U.S. REACTOR MANUFACTURERS. THE MANUFACTURERS HAVE PROPOSED SUCH SALES TO THE U.S. SPECIAL TRADE REPRESENTATIVE AND HAVE BEEN DISCUSSING THE POSSIBILITIES WITH THEIR JAPANESE COUNTERPARTS. THE UNITED STATES WOULD NOT WISH TO PUT THE JAPANESE MANUFACTURING INDUSTRY IN JEOPARDY BY THESE SALES, BUT BELIEVES THAT A MUTUALLY CONSTRUCTIVE PROGRAM COULD BE DEVELOPED. AGAIN, THE UNITED STATES OFFERS ITS GOOD OFFICES IN EXPEDITING AN ARRANGEMENT.

SINCERELY,

AMBASSADOR END QUOTE.

3. FYI: WE HAVE MADE NO REFERENCE TO PURCHASE OF URANIUM ENRICHMENT PLANTS (PARA 5 REFTEL) AND WILL INSURE THAT GOJ IS INFORMED OF USG POSITION ON THIS ASPECT THROUGH CONTACTS

AT WORKING LEVEL. WE BELIEVE NOW THAT REFERENCE TO ENRICHMENT
PLANTS ATTRIBUTED TO PRIME MINISTER MAY HAVE BEEN A
MISUNDERSTANDING ON HIS PART DUE TO TRANSLATION PROBLEMS.
END FYI.

4. REQUEST DEPT'S APPROVAL OF TEXT OF PROPOSED LETTER OR
COMMENTS THEREON ASAP.
SHERMAN

SECRET

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXT, SALES, URANIUM, CAT-B, DIPLOMATIC COMMUNICATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 jan 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TOKYO00170
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: FOR SCHIENMAN, T
Executive Order: GS
Errors: 1
Expiration:
Film Number: n/a
Format: TEL
From: TOKYO
Handling Restrictions:
Image Path:
ISecure: 2
Legacy Key: link1978/newtext/t19780194/aaaadbow.tel
Line Count: 124
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE
Message ID: eba001e6-c288-dd11-92da-001cc4696bcc
Office: ACTION NODS
Original Classification: SECRET
Original Handling Restrictions: NODIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: NODIS
Reference: 77 STATE 309753
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3821284
Secure: LOCK1
Status: NATIVE
Subject: SALE OF URANIUM TO JAPAN
TAGS: PARM, ETRD, PPDC, JA, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/eba001e6-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014